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No. 92-1829

IN THE
Supreme Court of the United States
OCTOBER TERM, 1992

LINDY PEN COMPANY, INC.
and BLACKFEET PLASTICS, INC.,
Petitioners,
vs.
BIC PEN CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

PETITIONERS' REPLY BRIEF

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PETITIONERS' REPLY BRIEF IN PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Respondent in its Opposition Brief seeks to distinguish the decision of the Ninth Circuit from which a writ is sought herein, from earlier and directly contrary decisions of this and the Sixth Circuit Courts. *Mishawaka Rubber & Woolen Mills Manufacturing Company v. S. S. Kresge Company* (1942) 316 U.S. 203, 86 L.Ed. 1381, 62 S.Ct. 1022; *Wynn Oil Co. v. American Way Service Corp.*,

943 F.2d 595 (6th Cir. 1991). Respondent Bic suggests that these cases are distinguishable insofar as Bic unknowingly stumbled into the infringement while in the earlier cases the infringer knew about the trademark owner's mark. In addition, Respondent Bic seeks to create the impression that determination of the amount of infringing sales was a simple matter that Petitioners failed to pursue through simple laziness. The implications are factually incorrect and contrary to express orders of the court below.

Judge Cynthia Holcomb Hall, the trial judge in this case, entered as the order of the Court the fact that Bic knew that the "Auditor's" trademark was registered as a Federal trademark registration in Petitioners' name *before* 1979 when Bic adopted that same mark for the same goods. (Trial Clerk's Record, No. 172 at p. 6, ¶¶6A, 6C.)

The veracity of that order was confirmed by Bic's President (in 1979) and Chairman of its Board of Directors (at the time of his sworn testimony in this case), Mr. Adler, who testified that he, personally, gave permission and approval for Bic to commence using Blackfeet and Lindy's registered trademark "Auditor's" in 1979. Mr. Adler further testified that, at the time that he gave his approval, he received copies of, and personally remembered previous correspondence between Bic's counsel and Lindy about the "problem" that Lindy claimed "Auditor's" as a trademark. (Adler Trial Deposition, at 104-05.) His memory notwithstanding, Mr. Adler, Bic's President gave his approval to use the trademark anyway. (*Id.*, at 132-33.)

The second fallacy, fostered by Bic in its Opposition Brief is that the amount of Petitioners' damages can be determined simply from Bic's, Lindy's and Blackfeet's

records. To the contrary, it is the law of this case that likelihood of confusion, the only basis from which damages can emanate, can be found *only* in the telephone sales *from* the 1,000 *independent* distributors and dealers who sold Respondent Bic's "Auditor's" marked pens their wholesaler and retailer customers. As the court below determined, it was only in the context of *telephone sales* between the independent distributors and their customers that the confusion created by Bic's adoption of Petitioners' "Auditor's" mark would not be ameliorated by the distinctive packaging. *Lindy Pen Co., Inc. v. Bic Pen Corporation, (Lindy I)*, (Petitioner's Brief, at B8-9 and n. 6) 725 F.2d 1240, at 1245 and n. 6 (9th Cir. 1984), *cert. denied*, 469 U.S. 1188 (1985).

Other than revealing that over 170,000,000 of its pens marked with the "Auditor's" mark were shipped to these independent distributors, jobbers and dealers, Bic's records do not indicate how much, and to whom sales of the infringing pens were made, nor how much and to whom such sales were made through telephone communication where the packaging had no ameliorating effect. That information, if it ever existed, lies exclusively in the records of Bic's 1000 independent distributors.

The Ninth Circuit affirmed that the "evidence that at least one wholesale distributor engaged in switching its product is credible proof of the fact of damage." *Lindy Pen Co., Inc. v. Bic Pen Corporation (Lindy III)*, 982 F.2d 1400, at 1411 (Petitioners' Brief, at A18). At trial, one nationally significant witness testified that 95% of its sales of Bic's and Lindy and Blackfeet's "Auditor's" pens was made over the telephone. At the damages proceedings, another nationally significant witness declared that at his

company, the proration of telephone sales of the "Auditor's" marked pens was 70%. Another listed witness spoke to 80%.

In short, there is no legally cognizable factual distinction between the ruling of the Sixth Circuit and the ruling of the Ninth Circuit from which this Petition for a writ of certiorari is made. The conflict among the Circuits is real and, so long as the conflict is allowed to persist, it creates an intolerable condition for businessmen for whom trademarks are an important instrument of national commerce.

Respectfully submitted,

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Counsel of Record

Counsel for Petitioners,
Lindy Pen Company, Inc. and
Blackfeet Plastics, Inc.

Dated: September 22, 1993